

Income Tax Act and Estate Tax Act

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I would be derelict in my duty if I did not take the opportunity to rise in my place and register my strong protest at some of the implications of Bill C-165, to amend the Income Tax Act and the Estate Tax Act.

First of all, I was not only appalled but amazed when about ten days ago the Minister of Finance (Mr. Benson) rose in his place in this house and implied that he had received no objections from members of the opposition with respect to these proposed amendments. I must give the hon. member for Red Deer (Mr. Thompson) full credit for taking it upon himself to raise a point of privilege following that implication by the minister in order to clear up the record. We finally got an admission from him that he had received eight or ten letters from opposition members.

I was one of the opposition members who registered my protest in as strong language as I could couch in a two page letter to the minister under date of January 22. I am not going to go into the details of it but I did send copies of the letter to the 18 weekly papers in my riding so they would know that the opposition was on the job in this house. At that time I was a little concerned whether under the new rules we have adopted I would even get the opportunity to register my protest. However, I have that opportunity now.

I am not going to belabour the point this evening because I feel that other members of the opposition have gone into thorough detail in their analysis of the effects of this bill upon Canadians in general and the people I have to honour to represent in particular. I am referring, of course, to the large number of farmers on family farm units and to small businesses, I was a farmer myself and a member of the farming fraternity for a number of years before moving into the business world. Therefore I am fully aware of the problems created by this proposed tax measure as applied both to small businessmen and to farmers.

I think the majority of Canadians agree with one provision of the bill, namely, the transfer of an estate without tax from one spouse to the other at death. This amendment was long overdue. But we find the government being benevolent on the one hand and taking money away on the other, and as many members have pointed out this is where problems arise.

In my letter to the minister I think it is worthy to note that I suggested we do away

altogether with the principle of estate tax as outlined in this bill. I make that statement because the province of Alberta already refunds 75 per cent of the estate tax that it collects from people in that province. I believe the premier of Saskatchewan, the hon. Ross Thatcher, is on record as saying it is his intention to do the same thing in Saskatchewan, and if the record is checked I believe the province of Manitoba has indicated it is also considering this step. If that is the case, the inference is that Canadians, particularly those in western Canada, are definitely against the principle of this bill. Consequently, why does the federal government not follow up this trend of thought and eliminate this tax altogether?

● (5:50 p.m.)

The federal government will say that they must have tax revenue, and I agree with that. I also think that the principle of income tax is the fairest principle on which taxation can be based. Surely the government could recover by way of extra income tax levied on businesses or farms any amount which might otherwise be recovered by way of estate tax. It is only right that those who have worked hard to build up a business or farm should enjoy the fruits of their labour and know that those fruits will not be dissipated on their death.

I worked on a family farm some years ago. My father, brother and I worked day in and day out, year in and year out, from daylight to dark. We all hoped to share eventually in the family farm. Others who work in family businesses hope equally to share in those businesses. That principle has helped to build up farms and businesses in this country, particularly in the rural areas. If the prospect of inheritance induces people to work hard in a family farm or business it is unrealistic to expect that by imposing inheritance taxes we shall maintain the incentive of prospective heirs to work hard and build up businesses. It takes a lifetime to build a business, and on the deaths of the owners the government should not collect estate taxes which may cripple the business.

I regret that the Minister of Finance is not in the house. In fact, I see no minister here at all.

Mr. Knowles (Winnipeg North Centre): One or two hopefuls are present.

Mr. Southam: We are discussing a major piece of legislation and yet no minister of the government is here to listen to hon. members.